[Mr. K. N. Ramasubba Aiyar.]

CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.

22. *Railways.* The Budget provides Rs ·52 lakh for the continuance of the Railway surveys, including new surveys, in connection with the Trippunithurai-Neriamangalam extension and also a lump provision of Rs 12·95 lakhs for the construction of the Chakay-Tampanur extension including the construction of a new Central Station for Trivandrum. Our capital liability in respect of the Shencotta-Quilon line stands at B. Rs 137·7 lakhs as on 31st March 1927. The capital for this line is advanced by the Secretary of State for India—partly from moneys obtained on special debentures raised in England and partly from his own cash balances. We have created a special sinking fund for discharge of this obligation so that we might repay the whole capital in 1945. The accumulation in this sinking fund stands at Rs 43·5 lakhs at the close of the current year. Our capital expenditure on the Quilon-Trivandrum extension, which was wholly met from our own funds, stands at B. Rs 53·44 lakhs as on 31st March 1927. We have made a provision in the Budget for a capital expenditure of Rs ·13 lakh for construction works on this line.

23. The net yield to us from the whole of the line from Shencottah to Trivandrum was Rs 1·66 lakhs in 1101 and is Rs 2·19 lakhs in the current year. The estimated return in the next year is put down at Rs 2 lakhs. I may mention here that a question was raised in the course of the year as to whether the profits earned on our Railway line would not be assessable to British Indian income tax imposed on the South Indian Railway Co. by the income tax authority at their head office station—Trichinopoly. The amount of income tax and super-tax demanded was about Rs 22,000 for one year. This point, however, I am glad to say, has been decided in our favour.

24. *Water supply scheme for the Trivandrum City.* Our new budget contains a lump provision of Rs 6·5 lakhs for the Trivandrum water supply scheme. A special staff is now making the necessary investigations for the preparation of plans and estimates. It is expected that the cost would roughly amount to not more than Rs 25 lakhs. The general idea is to draw the supply from water impounded by a dam across the Karamanai river above the falls at Aruvikkara. The scheme was originally proposed by the late Assistant Engineer, Mr. Hrishikesh Banerjea, who prepared the details under the guidance of Mr. F. J. Jacob, formerly Chief Engineer. The estimated cost then was Rs 55 lakhs. Government consulted Mr. G. W. Madeley, late special Engineer of the

LIBRARY ARCHIVES Kerala Legislative Assembly

Madras Corporation, and the present scheme which is expected to involve an outlay of only Rs 25 lakhs is the outcome of the modifications made on Mr. Madeley's suggestions.

25. *Trivandrum Electric Supply.* A lump sum provision of Rs 1·5 lakhs has been made in the budget estimates for the Trivandrum Electric Supply Scheme. The question of harnessing the Aruvikkara falls for the supply of electric power for the city by utilising the dam and storage which would be built for the water works was carefully considered. Government have been advised that the entire discharge of the river supplemented by the storage will give enough water to work the turbines for only 260 days in the year and that for the remaining part, provision would have to be made either by a supplemental storage or by an auxiliary oil engine installation. The idea now is to have an oil engine installation for the present and take up the question of harnessing the Aruvikkara falls if future demands justify the introduction of a hydro-electric scheme. We have already power plant at 14 public institutions in our city, costing us in all nearly Rs ·3 lakh in a year. With electric power brought to the city, street lighting as well as lighting and fans in public institutions can be arranged for by electric power. Private residences and shops might also be expected to go in for electric installation even at an early stage. Here also we have to prepare detailed estimates for the various items of machinery and materials. The hydro-electric scheme was estimated to cost Rs 5·6 lakhs and the oil-engine scheme Rs 2·85 lakhs.

26. *The State-aided Bank of Travancore Ltd.* The Bank commenced its business in Kumbhom last. In accordance with the agreement entered into with the Bank, Government have to deposit up to B. Rs 5 lakhs for five years. One half of this deposit is to be free of interest and the other half is to bear interest at 4 per cent. per annum. The Bank has already been given B. Rs 2·83 lakhs and provision has been made in the new year's estimate for payment of the balance of the promised deposit.

THE FINANCIAL POSITION—OUR ASSETS AND LIABILITIES.

27. A statement of our assets and liabilities as at the close of 1102 and 1103 appears at page 7 of the Budget Estimates. Our fluid balances—in cash and gilt-edged securities—stood at Rs 184·37 lakhs after the close of last year and are expected to rise to Rs 215·32 lakhs at the close of the current year; and after meeting the budgeted capital expenditure in the next year, we expect to have a fluid

LIBRARY ARCHIVES Kerala Legislative Assembly